

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1938-01
Bill No.: Truly Agreed to and Finally Passed SCR 11
Subject: General Assembly: Health Care
Type: Original
Date: May 23, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	\$0	(\$335,554)	(\$337,741)
Total Estimated Net Effect on General Revenue Fund*	\$0	(\$335,554)	(\$337,741)

*Subject to Appropriation; language in the proposal indicates "shall"

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **University of Missouri (UM)** stated, in response to similar proposals, that should a University facility be chosen to participate in the study, there would be a unknown cost to the School of Medicine.

Officials from the **Department of Insurance (INS)** state the INS does not have any programs or staff expertise in the area of patient education. The INS does not collect surgical outcome data or other data related to surgical procedures or patient education. They anticipate most pilot project requirements would be included in a Request for Proposal (RFP) and bid out. INS officials estimate contract costs of \$250,000 per year.

INS officials would, if the pilot project was approved, request a Research Analyst III to work with the selected health care institution to develop the RFP, solicit program participants, and monitor contracts. The Analyst would oversee collection, compilation and management of program data and would prepare any interim reports as well as the final evaluation report on the program.

INS officials would also request a Senior Office Support Keyboarding staff to provide clerical support for the duration of the pilot program.

GVB:LR:OD (12/02)

ASSUMPTION (continued)

Officials from the **Department of Health and Senior Services (DOH)** stated that the proposal now has no references to their agency. There would be no fiscal effect on DOH.

Oversight has, for fiscal note purposes only, changed the starting salary for the INS positions to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Oversight also notes that costs would be incurred only for the maximum of three years for the pilot project. For fiscal note purposes, it is assumed that the pilot project would be funded beginning in FY 2005.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Costs - Department of Insurance</u>			
Personal Services (2 FTE)	\$0	(\$54,011)	(\$55,361)
Fringe Benefits	\$0	(\$21,858)	(\$22,405)
Expense and Equipment	<u>\$0</u>	<u>(\$259,685)</u>	<u>(\$259,975)</u>
Total Costs Department of Insurance	\$0	(\$335,554)	(\$337,741)
ESTIMATED NET EFFECT ON GENERAL REVENUE*	<u>\$0</u>	<u>(\$335,554)</u>	<u>(\$337,741)</u>
*Subject to Appropriation; language in proposal indicates "shall"			

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

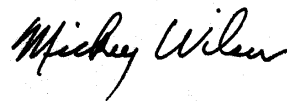
This proposal would allow the Department of Insurance and any appropriate health care institution to evaluate the establishment of the Comprehensive Patient Education and Healthcare Cost Improvement Pilot Program. The purpose of the program would be to improve the availability of patient information regarding risks and complications associated with elective surgical procedures.

The Pilot Program would, if the Department concluded that the program would be beneficial to the state's health care system, begin no later than six (6) months after funding became available and would have a three (3) year duration.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Health and Senior Services
Department of Insurance
University of Missouri



MICKEY WILSON, CPA
DIRECTOR
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